



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

INFORMATIONAL MEMORANDUM

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Kenneth D. Ackerman /s/ Ken Ackerman 12-15-00
Administrator

SUBJECT: Insurable Dry Bean Types

BACKGROUND:

Questions have been raised as to whether cowpea types such as pinkeye-purplehull, crowder, or cream varieties are insurable as dry beans. The Dry Bean Crop Provisions (Crop Provisions) (98-047) provide a definition for dry beans, which is “The crop defined by the United States Standards for Beans excluding contract seed beans.” These standards list specific bean types as well as a miscellaneous bean type that includes dry beans not otherwise classified in the standards. For example, one of the defined types in these standards specifies Blackeye beans (cowpeas of the blackeye variety). Blackeye beans are listed as an insurable type on certain actuarial documents while other varieties of cowpeas are not. Pinkeye-purplehulls/pinkeyes are not a blackeye variety, nor are pinkeyes listed on the actuarial documents.

DISCUSSION:

Only those dry bean types/classes/varieties listed on the United States Standards for Beans and on the counties actuarial documents may be insured at the premium rates shown. Any dry bean types/classes/varieties that are listed on the United States Standards for Beans but not on the county actuarial documents may be insured by written agreement. Failure to obtain a written agreement will render such dry bean types/classes/varieties uninsurable and no premium will be earned or payable and any indemnity paid to the insured is not eligible for reinsurance. Section 7 (c) of the Crop Provisions and section 4 and exhibit 9 of the 2001 Written Agreement Handbook, FCIC 24020, address how and which dry bean types/classes/varieties may be insured. Any dry bean types/classes/varieties not listed on the United States Standards for Beans are not insurable under any circumstance.



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The Risk Management Agency Administers and Oversees
All Programs Authorized Under the Federal Crop Insurance Corporation

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DISPOSAL:

This memorandum does not change existing policy or procedure and is for the purpose of transmitting information. The expiration date is December 31, 2001.